



27 February 2004

Accredited Client Program Bulletin

Treasury have not refused duty deferral

Those companies with an interest in the Accredited Client Program (ACP) would have been reading with interest recent press coverage relating to the implementation of the ACP, particularly the article titled "Customs close to meltdown" (Financial Review, 10 Feb 2004, Pg 53).

Duty Deferral

The article reported on concerns about the future of ACP due to Treasury's apparent refusal to approve duty deferral which, as well as being a cost benefit incentive to join the ACP, is the critical element in allowing post importation reporting to Customs.

It also reports on the Business Partner Group's (BPG) efforts to have the duty deferral issue resolved. The BPG consists of the companies that have developed ACP through the pilot program with Customs and includes TCF Services.

The current situation is that the Minister for Customs, Senator Ellison, has publicly stated his support for the Accredited Client Program, as has the CEO of Customs. Treasury have not refused duty deferral but have directed that the approval for duty deferral be sought through the formal channels of the budget process.

Given the Government's commitment to the program we would expect duty deferral to be approved in the budget process, confirmation of which should be received sometime in May.

Commencement

The *Financial Review* article also reported on significant concerns from industry about the ability of Customs to deliver their new IT platform, the Integrated Cargo System (ICS), and the potential for complete failure of the system.

Commencement of the ACP is scheduled to coincide with the introduction of the imports phase of the ICS which provides the IT programming to operate the ACP.

The ICS was originally scheduled to commence implementation on 1 December 2003 but has been delayed twice as Customs underestimated the complexity of the system to build. At this stage no dates have been set for implementation. Customs will set new dates when industry software developers successfully complete acceptance testing of the software.

Discussions with Customs and Industry software developers in recent days indicate that Customs has resolved the majority of issues with the test system to the extent that both Customs and Industry are confident that an announcement on the implementation of the ICS can be made prior to Easter. That announcement is likely to be that the Imports phase will be implemented in late 2004.

Conclusion

TCF, both through the BPG and directly with Customs, is actively lobbying to ensure duty deferral is granted and that the importing community gains the maximum possible benefits from the ACP. We are confident that this will be achieved.

The one major unknown with ACP, over which we have no control, is the commencement date. Until such time as an announcement is made setting that date there is little to gain by commencing any preparation to join the scheme. Those that have watched previous implementation dates come and go would be sceptical whether any new dates will be met.

Once the Exports phase is implemented and is operational, we believe importers can be confident any new date for the Imports phase will be achieved.

We will continue to keep you informed of progress.

TCF Trade Management Pty Ltd

Sydney

Phone: +61 2 8219 4900

Fax: +61 2 8219 4999

Melbourne

Phone: +61 3 9379 0022

Fax: +61 3 9379 0991

email: info@tcf.net.au

Postal Address:

PO Box 141, Surry Hills, Sydney NSW 2010